Senators View Breton Woods


The Senate Banking and Currency Committee on June 12 began hearings on the Bretton Woods bill, recently passed with an amendment, by the House of Representatives. Both at the hearings before the committee and in interviews with the "Chronicle," representatives have expressed their views concerning the bill. Senator Eugene D. Millican (R.) of Colorado, a member of the Senate Banking and Currency Committee, said: "The Bretton Woods Fund arrangements will achieve relative stability of currencies in the world." (Continued on page 2626)

Index of Regular Features on Page 2586: Buy MORE Bonds in the Mighty Seventh War Loan! — HIRSCH & CO.

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The New York Stock Exchange—World's Greatest Auction Market

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Mr. Childs, After Tracing the History of the New York Stock Exchange, Points Out the Value of Its Functions in Promoting Economic Progress. Calls Attention to Fact That the Exchange Is More Than Superficial, and Regulated in the Interest of the Public Than Any Other Institution. Says Stock Exchange Does Not Encourage Gambling or Speculation, but That Speculation Is An Essential Part of Economic Activity, Since Without the Willingness and Incentive to Take Risks, There Would Be No Progress. (Continued on page 2566)

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Compulsory Peace-time Military Training

The Arguments for Compulsory Military Training, viz. (1) The need for a large trained soldierly and (2) The Health Benefit of Military Training Are Both Refuted. Physical and Mental Defects of Youth Are Largely Congenital and Camp Training Will Not Be More Remedial Than That Afforded by Family, Religious, Educational and Other Existing Institutions and Will Not Offset the Mischievous Effects of Enforced Camp Discipline and Obnoxious Regimentation. Military Necessity Appears Less Urgent Than Formerly, Since the Aggressor Nations Are to be Disarmed. So Peace-time Military Conscription Is Unwise and Unnecessary. (Continued on page 2660)
Opinions of House Committee Members Regarding Boren Bill Exempting Municipal Firms From Control


WASHINGTON, D. C.—June 13—Contention of the Securities and Exchange Commission that its regulatory powers extended to dealings in state and municipal bonds, a point that was particularly the commissi...
The Economic of
A Bull Market
By WILFRED J. EITEMAN
Assistant Professor of Economics, Duke University
Economists Hold that the Two Purposes of Regulating Stock Market Activity, viz.: (1) Keeping the Price Level at a Level With Inflation and (2) Minimizing Price Fluctuations, Are Ineffective When Ample Credit Is Available for Dealings. Though Asserting That Regulatory Authority Should Be Concerned With The Source of Stock Market Funds, He Contends, Nevertheless, That Restrictions on the Prenent Bull Market When Corporations Earnings Are Rising and When Investors and Speculators Do Not Entertain the Soundness of an Existing Price Level.

Regulation of stock market activity is usually defended on one of two grounds. Regarding, some, prevents security prices from getting out of line with economic reality. This position implies that the regulators have a duty of deciding what the proper level of prices is under existing circumstances, and it places an enormous responsibility upon the regulatory authorities. If definitive expressions of alarm over the recent rapid advance of share prices, it is not true that they charged with the administration of Regulations T held to the concept. If regulatory authorities are to be considered responsible for preventing prices from becoming "too high," then logically they should accept responsibility when prices become "too low." An alternative objective of stock market regulation aims at minimizing the repressiveness of effect of stock market fluctuations upon legitimate business activities. But "Professor Eiteman is an analyst of stock market activity and is joint author with Charles A. Dice of "The Stock Market," published by McGraw-Hill Book Co.

(Continued on page 2520)

When Will Japan Surrender?

RASBON PARK, England O. November 8 (AP) — Attention to the definitive statements made in my Annual Forecast for 1945, the defense of Japan in the Pacific war, as in which I said:

"The greater part of Germany’s army will collapse before the planting season opens in the spring of 1945. Japan will not hold out as long most people believe. Japan will collapse within twelve months after Germany. After that Germany can hold out. "I Stalin’s health continues, he will be the world’s most powerful man in 1945 and will again assume the police terms, especially for the Pacific.

"Looking at the Record I am often asked for details of the above forecast in view of the conditions under which it was written. Ten readers will remember that last summer the public was very hopeful and looked for the collapse of Germany at any time; but I said that there would be no collapse in 1944. Then the Germans started their famous bluffs in the middle of December and Washington was as much taken in. In fact, a study of newspaper clippings shows that there was almost the only columnist who was optimistic at the close of last year. But I knew the German temperament. I knew Japan since Gen.

Rasbon Patak. (Continued on page 2520)

SEC Denies NASD Right to Enforce Price Maintenance Contracts


The Securities and Exchange Commission rendered its long awaited decision in the strongly contested case against the disciplinary measures taken by the National Association of Securities Dealers against 50 members, who refused to comply with the Public Service of Indiana Bonds Syndicate of 1939 and 1940, violated the price-maintenance provision clause of the member agreements. The Commission denied the charge that the National Association of Securities Dealers had exceeded the authority given it by the member agreements.

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Rasbon Patak. (Continued on page 2520)
American Hardware
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Crowell Collot Pub.
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American Hardware

Gov’t Must Not Dominate World Trade and Investment: Morgenthau
Secretary Treasury Henry Morgenthau Jr. on June 12 told the Senate Committee on Banking and Currency, having under consideration the Bretton Woods Agreement, that the program set up by the delegates to the plan prepared by his department as early as 1941. He urged the adoption of the plan as a means of promoting international trade and freeing it from governmental domination and restrictions throughout the world.

Bretton Woods Agreement

Bretton Woods Agreement

TREASURY Extends Cuba Gold Agreement
WASHINGTON, June 15—Secretary Morgenthau and Charge d’Affaires of Cuba Dr. Jose T. Baro bock today extended for four years beyond June 30 the agreement under which the United States Government undertakes to sell to the Government of the Republic of Cuba. The agreement provides that payment may be made within 120 days after delivery of the gold which was unsecured at any time exceed $5,000,000.

The agreement extended today will enable the Cuban Treasury to carry out operations designed to stabilize the peso-exchange rate.

The agreement has been in operation since July, 1942, and has proved to be very effective, Mr. Morgenthau states.

Morgan Harrington

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Cleveland Security Traders Association
The Cleveland Security Traders Association will hold their annual summer meeting at the Mansfield Country Club on Friday, Aug. 24, 1945.

Calendar of Coming Events
June 15, 16, & 17, 1945—Security Traders Association of Los Angeles annual spring party at the North Shore Tavern, Lake Arrowhead.
August 24, 1945—Cleveland Security Traders Association annual summer meeting at Mansfield Country Club.
August 28, 29 & 30, 1945—National Security Traders Association, Inc. annual business meeting and evening of entertainment.

Nu-Enamel Votes Extra Dividend
Nu-Enamel Corporation has declared an extra dividend of 20
cents on common stock, payable July 10 to stockholders of record June 23.

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In the Public Interest
By Henry Hazen


The Supreme Court of the United States granted certiorari in a petition entitled "Securities and Exchange Commission, petitioner, and Samuel Okin,答辩人." The issue involved concerned the application of Section 24-a of the Public Utility Holding Company Act, and more particularly the scope of the phrase, "person or party aggrieved" as contained in that statute.

The refinancing of a $35,000,000 loan which the Electric Bond & Share Company made to a subsidiary and which raised the issue of a subject of a proceeding before the Securities & Exchange Commission.

Okin, a minority stockholder of the common shares of Electric Bond & Share, participated in this proceeding, and opposed a proposition which both companies submitted for a method of refinancing this loan.

The Commission made an order approving the proposal and Okin thereupon petitioned the lower court to review this order.

On a motion to dismiss Okin's petition, the Commission contended that he was not a person or party aggrieved within the meaning of Section 24-a of the Public Utility Holding Company Act.

This motion having been denied the matter then went to the United States Supreme Court.

As a stockholder, Okin had attacked the transaction by his company with its subsidiary, on the ground that it was both illegal and fraudulent.

In affirming the decision of the lower court, the United States Supreme Court held that he was a person aggrieved under the statute, and inasmuch as he charged illegality and fraud that any application for redress to the United States Supreme Court of Directors would have been futile. It further said "under the circumstances of this case we view therefore the Circuit Court of Appeals was right in denying a dismissal of the proceedings for lack of standing on the part of Okin to institute it."

The court further pointed out that as originally drawn the Public Utility Company Act provided that a person who was a party had to go to obtain a review of an order of the Commission; however, this provision was subsequently altered so as to provide that such relief could be obtained "by a person or party aggrieved."

Since this decision has come down, considerable stress has been placed upon its importance. The Securities and Exchange Commission makes it a practice in entering its orders, to stress the public interest.

We have from time to time called attention to the fact that the statute under which it was created required the Commission to protect the public interest, and that stressing in particular orders is surplusage and something of a defense mechanism.

At any rate, it is difficult to understand how the public interest was served by compelling a stockholder to go all the way to the United States Supreme Court with the incident large expense and time involved, in view of the plain provision of the statute.

We can readily visualize many cases where the aggrieved party is adversely affected by an order of the Commission would find such an expense prohibitive. Here is but another instance of the SEC fighting with a member of the very public which the statute creating it directed the Commission to serve.

Instances such as this bring full prominent relief a need which we have consistently advocated, the need of circumscribing the powers of the Commission.
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San Carlos Milling Co.

COMMON STOCK

We suggest that you take a serious look at the stock of this company in your manuals. This company, prior to the war, was an excellent dividend payer and sold at considerably higher levels. We consider it especially attractive from the standpoint of capital gains and future dividend returns. Market appreciation has been Nil.

Inquiries Invited

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Barclay 7-3329

NY 1-1025

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Tomorrows Markets

Walter Whyte says

By Walter Whyte

Strength in low priced stocks points to a near termination of advance. Congress isn’t doing the market any good, though no immediate decline indicated.

When I sat down to write this week’s column I looked forward to advising you of a more aggressive buying policy. The prospect is, however, confused by the absence of positive ones which makes the reinstatement of sold out positions unwisely.

The rails are about the only group which seem to live up to their previous week’s promise. Last Friday they established another new high by breaking the 117 1/2 figure. During the same day, the industrials were fairly strong but the strength was limited to special issues. In any event, a few industrials were able to hold their gains at the close. Result was that the industrial picture left much to be desired. Saturday’s market was just another of those things. It gave little indication of anything. Monday’s action was almost a duplication of Saturday. Tuesday saw a leader resurgence, but its importance was nil.

The major reasons why there is little of significance to be found, or rather its significance seems to be bearish, can be discovered in what is happening in Washington. Ordinarily what happens in Congress, or is expected to happen also reflects the price action far enough in advance for traders to profit.

(Continued on page 2621)
Economic Problems of Peace
By THOMAS E. DEWEY
Governor of New York

Governor Dewey stresses the importance of World Economic Stability as essential to Lasting Peace and Says San Francisco Conference Will Not Accomplish This Aim, If Trade Barriers Continue and Other Authoritarian Devices Continue.

Economic problems of peace are of the utmost importance to the world. They are of concern not only to the governments but to every individual. The economic stability of the world is essential to peace, and this can only be achieved if trade barriers continue and other authoritarian devices continue.

What Hopes for Railroad Security Holders?
Talk by Arthur C. Knies

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Old and New Securities
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NEW YORK 5

L. F. Rothschild to Open Chicago Office
CHICAGO, Ill.—L. F. Roth¬
schild & Co., members of the New York Stock Exchange and other exchanges, will open an office in Chicago at 231 So. LaSalle Street about July 1. Allen Richards, for¬
merly with Shelds & Co., for many years, will be in charge, and B. F. Parcell, previously with Halsey, Stuart & Co., Inc., will be associated with the new branch.

ECONOMIC PROBLEMS OF PEACE
By THOMAS E. DEWEY
Governor of New York

It is a great pleasure to be here tonight and to extend my gratitude to you, on behalf of the State of New York, for your warm appreciation and encouragement for the great work you are doing.

The importance of the work you have done has been most notable in the seven successive years since the war began. But I do not think any of you need a medal to sustain your enthusiasm and energy.

None of you

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None of you
Real Estate Securities

This month and next should see several real estate bond issues. Among the noteworthy: the $11,243,001 and London Bank of New York, with its attractive real estate bonds. On June 1 they paid 3%—1 1/2% being regular and 1 1/2% contingent, and 3% accumulated contingent interest; and on May 1, $1,082,005 for sinking fund obligation. The $150,000 payment calls on all interest receivables and amounted to $151,375. Assuming earning capacity of 6% a year, the total should yield $226,007 for a single purchase, or a return of over $300,000 par value of bonds at current market price.

Office buildings should benefit from the business conditions that followed the blackout week in the 10 East 43rd Street case, that maintenance workers who are engaged in work are beyond the reach of wage hour law. Briefly, that means that elevator men, porters, etc., who work for office buildings will not be able to recover back wages in accordance with the wage hour law where their tenancy in their buildings are not engaged in an occupation, or a business, which may be classified as interacting with the office operations.

Hotel bonds should continue to benefit by good earning occasioned by peak capacity. Managers of such large hotels as the Pennsylvania and the Waldorf Astoria in New York, have stated that the demand for rooms in the month of June is from 200% to 300% above normal. Mr. James M. McMenamin attributed the severity of rooms to commercial buyers. "June," he said, "is the month that all hotels have always been a tremendous month for buyers, and there are many buyers who have been in New York now than ever in history." Hotel officials, who formerly came to town for a one or two day stay once a month, now come every other day, sometimes four or five days while they transact business with their clients.

The Order of the Sun in Peru was created by the Argentine Legionary Bishop, Gen. Jose de San Martin when he entered Lima with his troops in 1821. The ceremony was recorded and transmitted by short-wave to all of Latin America.

Frank B. A'Hearn

Frank B. A'Hearn is now associated with Bull, Holden & Co., 20 Wall Street, New York City, members of the New York Stock Exchange. Mr. A'Hearn has been in connection with various Wall Street houses for the past several years.

Howard Hannon Joins Staff

Howard Hannon has joined the staff of Stone, Moore & Co., 22 Wall Street, New York City. Mr. Hannon has recently been serving in the United States Navy. In the past he was with Earl M. Scaman & Co., and was President of Howard J. Hannon & Co.

Dealer-Broker Investment Recommendations and Literature

It is understood that the firms mentioned will be pleased to send out literature on the following:

Five Sound Common Stocks—Comparative memorandum—H. Hett-Co., 60 Broadway, New York 4, N. Y.

Also available in several memoranda of Research Comment and a Review of Niagara Hudson Power Corp. and American Coca-Cola Corporation.

Monthly Stock and Bond Summaries—May be had at a cost of $2.72 each per year, or at a total of $14.40 a year for the complete service which includes twenty monthly summaries and eight bond issues—a special feature the service is expected to double in cost if issued weekly.

Allegany Corporation—Study of prospects of 25% A preferred stock —McLaughlin & Bair, 60 Broadway, New York 5, N. Y.

American Cassity Company—Data on current position—Mackay, K非常多的行和项目。

Also available are a memorandum on American Reserve Insurance Co., and Minneosta Insurance Co., also on a memorandum on Genesee Life Insurance Co., Excess Insurance Co. of America, Fidelity Phenix Fire Insurance Co., Gibraltar Fire & Marine Insurance Co., Liberty Insurance Co., Reinsurance Corp. of New York, Republic Insurance Co., and also on a memorandum of Maryland Casualty Co., etc.

Ashland Oil & Refining Company—Reprint of the current bulletin—American Coining Co., 60 Broadway, New York 5, N. Y.

Also available is a report on Maryland Casualty Co., etc.

Native Oil & Refining Co.—Current bulletin—Analytical Research—Analytics—Rutgers & Smith Co., 20 South La Salle Street, Chicago.

Also available are a memorandum of the Empire State Electric Co.

Boston Terminal Co.—Descriptive circular—Analytical Co., 14 Wall Street, New York 5, N. Y.

Bird & Son—Descriptive pamphlet—Barnes Brothers, 129 Broadway, New York 5, N. Y.

Also available are a memorandum of the Empire State Electric Co.

Central Illinois Public Service Co.—Analyst—Ira Haupt Co., 110 Broadway, New York 6, N. Y.


City of Montreal, Financial Reorganization, including a memorandum of the Dominion Securities Corporation, Chicago, 20 Broadway, New York 5, N. Y.

City of Montreal, Financial Reorganization, including a memorandum of the Dominion Securities Corporation, Chicago, 20 Broadway, New York 5, N. Y.

Consolidated Edison Co. of New York—Analytical study—Rutgers & Smith Co., 20 Wall Street, New York 5, N. Y. (Continued on page 2620)
SEC Denies NASD Right to Enforce Price Maintenance Contracts

(Continued from page 2607)

"impose" the schedule on pricing decisions, regarded as combinations to fix prices, is invalid, does not depend, we believe, on the terms of the particular contract. Among these the important considerations may be the ease of the distribution groups in relation to the conditions of the case. Of particular combination of powers reserved to those who dominate the distribution, the length of time provided in the contract for keeping the price, the type and quality of the security, the terms of the contract, and the class of investors to whom the distribution must be made. We cannot find this list of factors to be, by any means, exhaustive. In particular cases may involve unique problems. When it is remembered that the aim of the Sherman Antitrust Act is to prevent such a conflict of interest, the fact that the prices fixed by unlawful means are not sold through regular sales channels, and that the sellers and investors do not join the fixed prices and fixed discount contracts are designed to restrict the free movement of prices during distribution, and are per se "impositions and restraints of trade" within the meaning of Section (b) (1). This is not to say, however, that such contracts are per se. unlawful. Whether the particular agreements before us were reasonable or unreasonable is a question for the courts. The Sherman Act is another question, to be determined later in this case. We do say that an association rate settlement with the NASD and the New York Stock Exchange as a means of prices and discounts runs directly counter to the statute. The requirement that the association's role be designed to "impose restraints of trade on the market." The considerations which have been advanced as "rule of reason" into the Sherman Act, it is unnecessary for the purport of regulating the actual conduct of business, do not have the same force in construing the act. The purpose of determining the legitimacy limits the proper association's rule-making and disciplinary power.

One further point in the decision is, it is specifically stated: "Whether a termination and a maintenance clause was an act contrary to "just and equitable principles of trade" and therefore came within the jurisdiction of the NASD."

Commissioner Healey stated, "that the Government actions against those who breach ordinary commercial contracts between individuals. But the function of an association to protect the public is that price to be presented by their associate members seems to us a different matter. That there has long been recognized as a legitimate and appropriate function of an association. It is true that the dealings of the members of a regulated exchange or public is the most important subject of investigation and enforcement by a securities market affecting similar types of securities. The conclusions of the Commission was that in the light of... Congressional powers and restrictions to... decisions dealing with price-fixing agreements. These may have other common interests, the courts are not required by negotiation between the sellers and investors.

And further, that the price maintenance and fixed discount contracts are designed to violating the free and open market within the meaning of Section (b) (1). This is not to say, however, that such contracts are per se. unlawful. Whether the particular agreements before us were reasonable or unreasonable is a question for the courts. The Sherman Act is another question, to be determined later in this case. We do say that an association rate settlement with the NASD and the New York Stock Exchange as a means of prices and discounts runs directly counter to the statute. The requirement that the association's role be designed to "impose restraints of trade on the market." The considerations which have been advanced as "rule of reason" into the Sherman Act, it is unnecessary for the purport of regulating the actual conduct of business, do not have the same force in construing the act. The purpose of determining the legitimacy limits the proper association's rule-making and disciplinary power.

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Garland Nominated to Be President of IBA

Charles S. Garland, partner of the Baltimore investment banking firm of Alex. Brown & Sons, has been nominated as next President of the Investment Bankers Association of America. He was nominated by the board of directors of the Association for a two-year term. Among the other nominees for vice president are: Hassen A. Arnold, Brown Bros., Worth& Co.; Teodore Julien H. F. Hopkinson, Jr., Drexel & Co., Philadelphia, and Lee M. Librett, Blyth & Co., Inc., New York.

Nominations, made by the board of governors of the association, were considered at the annual meeting scheduled for November 26 to 28 in Chicago at the Edgewater Beach Hotel.

Mr. Garland has been a vice-president of the association since 1944 and has held many important committee positions in the organization. He has been in the securities business since 1926 with one of the leading banking organizations which issued the following from Alex. Brown & Sons, said to be the oldest investment concern in the United States.

Graduated from Yale in 1926. Mr. Garland first went with Hickey, Williams & Co., Pittsburgh, and went with their New York district manager from 1924 to 1928. He entered banking in May 23 with Brown Brothers & Co., New York private banking house, for which he opened a Chicago office in May 1923. On January 1, 1923, he was made a partner of Brown Harriman & Co., and on June 13, 1928, he was elected vice president and director of Brown Harriman & Co., and incorporated, signing from that position in January 1, 1923. He was a partner in his present firm.

In college, Mr. Garland was national intercollegiate tennis champion in both singles and doubles. He was a member of the 1920 U. S. Davis Cup team and in that year, he led the dominance of the United States in the Davis Cup, which was established by the International Lawn Tennis Association. In 1920, Mr. Garland was chairman of the U. S. Davis Cup team and is now a member of the committee of the International Tennis Federation. He is a member of the Baltimore Association of Commerce.
Illinois Traders

Includes all members of National Security Traders Association, Inc. unless they advised us they were not traders. Membership in Association designated by (n) before street address.

Letters at far end of name line indicate securities individual trades in where known:

A = All classes of Securities
B = Bank & Trust Company Stocks
C = Canadian Securities
E = Real Estate Securities
G = Guaranteed Railroad Securities
H = Tколо-Industrial and Railroad
I = Industrial Securities
J = Joint Stock Land Bank Secur.
K = Federal Land Bank Securities
M = Public Revenue Bonds (classed as Municipal)
N = Municipal Bonds
O = Own or Accounted for
P = Public Utility Securities
R = Water Works and Gas
S = Insurance Stocks
T = Mutual Fund Securities
V = V. K. Government Securities
W = Rights, Warrants & Warranties
X = Foreign or Provincial Securities
E = Mining Stocks

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Bernard J. Conlon Is
With P. F. Fox & Co.

Bernard J. Conlon has been associated with P. F. Fox & Co. since 1926 and with Doyle, O’Connor, from 1903 to 1907. During the period he traded railroad, industrial, and utility bonds. He joined J. Arthur Warner in 1907 as head of the railroad bond department, leaving in 1942 to enter the army for World War II. After serving three years with the Air Force as an engineer, he returned to the brokerage business.
THE More We Lead The Quick End Back The Mighty 7th

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INCORPORATED

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Telegraph: CG 1200

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St. Louis 5, Mo.

Shenandoah Bank & Trust Co.
121 S. Main St.

FREDERICK LOREN A. COLLINS, President
L. J. Rice and Co.
110 S. LaSalle St.

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Black Hills Power and Light Company
Central Illinois Electric and Gas Company
Empire District Electric Company
Iowa Public Service Company
Lake Superior District Power Company
Michigan Public Service Company
Missouri Utilities Company
Public Service Company of Colorado
Public Service Company of Indiana
Sioux City Gas and Electric Company
Southwestern Public Service Company

ACALYX AND COMPANY

Incorporated
Chicago New York
Milwaukee Minneapolis

The Outlook for RAILROAD EQUIPMENT COMPANIES
The large deferred demand in this industry seems to indicate a wide current of this industry is available

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Announcements

different stocks and

deserve care in preparation. We will be glad to suggest appropriate forms for such advertisements.

Consultation invited

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Advertising in all 4 branches

131 Cedar Street
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(Furnished by Caledonian 7-0609)

Boston Chicago Philadelphia San Francisco
Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

New York Trust Co. has just announced an increase in its dividend rate from $1.00 to $1.08, as a result of the bid price of its stock moved from 105 3/16 to 110%. It will be recalled that the dividend was reduced in the last quarter of 1941 from a $1.00 rate to $0.50. It is now back to $4.

Net operating earnings in 1944, exclusive of security profits, amounted to $7.03 per share.

Owing to a mechanical error in the column of June 7, the total assets figure for the 176 mutual fire insurance corporations in the United States, which was 106,731,000,000, should have appeared as $21,000,000,000. The actual aggregate is $211,000,000,000.

BUTLER-HUFF & CO.

Of California

210 West 71st St., Los Angeles

PRIVATE WIRE: 

New York — First National Bank

Burlington — Guaranty Trust Co.

TELEPHONE L. A. 3-7 L. A. 388

TABLE I

| Source of Earnings | Net Earnings | Operating Dividends | Reserve Provisions | Dividends Due
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Dividends</td>
<td>521,000,000</td>
<td>165,195</td>
<td>142,225</td>
<td>208,155</td>
</tr>
<tr>
<td>Capitalization</td>
<td>20%</td>
<td>26,020</td>
<td>26,020</td>
<td>26,020</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$57,210,000</td>
<td>21,350</td>
<td>21,350</td>
<td>21,350</td>
</tr>
<tr>
<td>Total</td>
<td>$583,430,000</td>
<td>184,643</td>
<td>184,643</td>
<td>184,643</td>
</tr>
</tbody>
</table>

It will be observed that total dividends declared from $551,450,000 in 1939 to $613,500,000 in 1942, and then rose to $635,000,000 in 1943. Strangely, though total net operating profits increased year by year during the whole period, with the result that dividends show a decline in 33.96% which they bore to net operating profits in 1939, 35.05% in 1939, 37.05% in 1940, 37.65% in 1941, 40.32% in 1942, 40.15% in 1943, and 40.21% in 1944.

Over the whole period aggregate net operating profits, from $535,000,000 in 1939 to $583,430,000 in 1943, and then to $635,000,000 in 1944, increased by 41.44%.

The increase in net profits was largely due to an increase in security profits of $59,400,000 in 1943, and $67,900,000 in 1944, an increase of 142.99% and 159.72% respectively.

These figures show that the business of the insurance companies, in spite of the withdrawal of some of the largest of these companies from the stock exchange, has continued to be profitable.

Hannegan Repeats Change of
Dem. Party's Attitude to Business

(Continued from page 2610)

“Therefore in 1960, we have another great decision to make, a decision that will be largely determined by the actions of the business community.”

Hannegan told of the time when the Republicans were “in the business of making business,” and of the time when the Democrats were “in the business of making men,” and of the time when both were in the business of making men and making business.

“The best that we can do now,” Hannegan said, “is to get out of business and work for the best possible form of government, which is a government that will make it possible for our people to live and work, to have the best possible form of the American system.”

Hannegan went on to say that the business community had a responsibility to the nation, and that it should be prepared to face the consequences of its actions.

“Businessmen,” Hannegan said, “are not only the makers of the wealth of our country, they are also the makers of our future. They are the ones who must decide whether we will have a free society or a controlled society. They are the ones who must decide whether we will have a prosperous America or a depressed America.”

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Hannegan concluded by saying that the business community had a responsibility to the nation, and that it should be prepared to face the consequences of its actions.
7TH WAR LOAN

Our purchases of War Bonds backed our Armed Forces in the defeat of Germany.

We will back our Armed Forces in the defeat of Japan by purchasing MORE War Bonds.

INTERNATIONAL BUSINESS MACHINES CORPORATION
Canadian Securities

By BRUCE WILLIAMS

Unsparing confidence in the good sense of the Canadian people and in unbiased fact and analysis have made more likely conclusions that have been justified by the eventual outcome.

not only is this fact likely to have an influence on the outcome of the election, but taking into account indicent implications of a similar tendency in this country, it also gives encouragement to the belief that the balance of the political power of the post-war world can best be solved by a political system that gives free rein to individual initiative.

In his last campaign speech, prior to the election, Prime Minister Mackenzie King stated clearly that he believed that it should be the first business of the government to provide the bulk of military equipment in the post-war period, and the rate would increase only when it was absolutely necessary in the public interest. In this way Canada can once more prove itself as a country capable of the highest demands of defense and prosperity were created by the combined efforts of private initiative.

Turning to the market for the past week, there was a state of almost complete inactivity in the external section. Internally however continued to display animation with attention centered again on the mining issues, following the removal of the mining ban on May 10 and 11. The Spring break-up mining & Exploration stock market showed a decided upswing in the new high level while Steel Rock Mining Company has been the subject of discussions to optimize of realistic ore deliveries. On prospects of stimulated activity in the great camps, several new high level but with the wnding of the season the Government is still under considerable limitations.

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The value of Canada’s mineral production in 1939 was $2,616,000. In 1939, and rose steadily until the restrictions were clamped on to 1942, when it reached $558,769,872. The following year saw a falling off to $254,420,830.

Canadian Restrictions Off on Metal Mining

Announcement was made on June 7 by Canadian Munitions Minister Howel of the removal of metal controls on restrictions on mining of gold and other metals or minerals imposed by Canada on June 22, 1942, to conserve manpower and machinery for the war. The original order, it is stated, prohibited all expansion of exist¬ing mining and development of new properties except by Canadian-controlled, Associated Press advice from Ottawa June 8 said. "Today's announcement means that all restrictions on the mining of gold and other metals or minerals have been lifted. The removal of these restrictions will enable the mining companies to expand operations to the fullest extent possible and will result in the increased production of gold and other metals and minerals in Canada."

"It is to be hoped that important discoveries of tungsten, molybdenum, and copper will soon be announced," he added. "Also, in the last few months the number of promising gold properties have been discovered and patented, and new mining companies have been formed. These discoveries will enable the mining companies to expand operations to the fullest extent possible and will result in the increased production of gold and other metals and minerals in Canada."

Canadian Press advice from Ottawa June 7 had the following as said in part: "Quebec's Deputy Mines Min¬ister, D. Dufresne, in the an¬nouncement stated that our mining companies go to work with a high degree of enthusiasm."

"The Canadian government's successful efforts to promote the development of the mining industry has resulted in an unprecedented increase in the production of gold and other metals and minerals in Canada."

"It is to be hoped that important discoveries of tungsten, molybdenum, and copper will soon be announced," he added. "Also, in the last few months the number of promising gold properties have been discovered and patented, and new mining companies have been formed. These discoveries will enable the mining companies to expand operations to the fullest extent possible and will result in the increased production of gold and other metals and minerals in Canada."

The value of Canada’s mineral production in 1939 was $2,616,000. In 1939, and rose steadily until the restrictions were clamped on to 1942, when it reached $558,769,872. The following year saw a falling off to $254,420,830.
In continuation of a program of form simplification, the Securities and Exchange Commission on June 12 announced the adoption of a new simplified form, S-12, for the registration under the Securities Act of 1933 of shares of corporations not more advanced than in the development stage. The form may be used by such corporations (other than those in the insurance, investment and mining business) if they do not have and do not intend to acquire subsidiaries of importance, if they have not been involved in a recent succession, and if there is no long-term debt. These limitations on the use of the form have permitted considerable simplification over previous forms. At the same time, it is believed that the form will find wide use, particularly among new small corporations already organized and those to be organized in anticipation of ameliorated wartime conditions and the post-war period.

The various items of the form and the instructions have been reduced in number and simplified in comparison with previous forms. A balance sheet is not required but may be filed. A supplement to the form has been prepared to facilitate the preparation of the registration statement. It contains parts of the Securities Act and the rules thereunder that are generally pertinent to registration.

In keeping with the Commission's practice, draft copies of the form were circulated to attorneys, accountants, and others interested in public financing. Their comments were considered most helpful in preparing the final draft of the form.

Copies of the form and the supplement thereto may be obtained by sending a request to the Publications Unit, Securities and Exchange Commission, Philadelphia 3, Pennsylvania.

The text of the Commission's action follows.

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, particularly Sections 10, 11, and 19 (a) thereof and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary for the execution of the functions vested in it by the Act, hereby adopts (a) Form S-12, and (b) a supplement thereto.

Under the Securities Act of 1933 of domestic corporations without subsidiaries and not more advanced than the Development Stage, and (b) Supplement to Form S-12 under the Securities Act of 1933.

In few areas of the country has the course of population and industry been more vitally affected by war conditions than the territory served by this Company. Throughout 1944, however, the Company continued to meet all demands for electric service permissible under governmental regulations. All requirements of regular or firm gas customers were also supplied without reservation.

With the completion during the year of Pit Plant No. 5, with a capacity of 214,600 horsepower, the Company now operates 65 electric generating plants—32 hydro and 13 steam—with a total installed capacity exceeding 2,900,000 horsepower. Gas service is supplied through an extensive transmission and distribution system, including almost 8,900 miles of mains.

In 1944 the Company delivered to its customers more than seven and one-half billion kilowatt-hours of electric energy and one hundred twenty-five billion cubic feet of gas.

At the close of the year there were 1,818,250 meters in service, electricity being supplied to 1,039,427 customers, gas to 765,497 customers and water or steam service to 13,326 customers.

In the past five years sales of electricity increased 71% and sales of gas 79%, while the average unit selling price of both electricity and gas declined—electricity 19% and gas 20%.

**DISTRIBUTION OF STOCK OWNERSHIP**

<table>
<thead>
<tr>
<th>Men Stockholders</th>
<th>Women Stockholders</th>
<th>Joint Tenants</th>
<th>Trust Estates</th>
<th>Corporations, Partnerships, Insurance Companies, Banks and Other Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>36,643</td>
<td>52,689</td>
<td>24,374</td>
<td>5,460</td>
<td>3,318</td>
</tr>
</tbody>
</table>

Total Stockholders: 121,014

**SUMMARY OF 1944 OPERATIONS**

<table>
<thead>
<tr>
<th>Item</th>
<th>1944</th>
<th>1943</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Gas</td>
<td>$7,132,658</td>
<td>$6,817,386</td>
</tr>
<tr>
<td>Sales of Electric Power</td>
<td>$5,382,641</td>
<td>$5,264,091</td>
</tr>
<tr>
<td>Gross Income</td>
<td>$12,515,300</td>
<td>$12,081,477</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,413,356</td>
<td>$1,041,326</td>
</tr>
<tr>
<td>Total Net Worth</td>
<td>$15,913,646</td>
<td>$15,470,120</td>
</tr>
</tbody>
</table>

**SUMMARY OF CONSOLIDATED EARNINGS STATEMENT**

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</tr>
<tr>
<td>Net Income</td>
<td>$1,413,356</td>
<td>$1,041,326</td>
</tr>
<tr>
<td>Total Net Worth</td>
<td>$15,913,646</td>
<td>$15,470,120</td>
</tr>
</tbody>
</table>

**Post War**

The Company recognizes that efficient and successful operation requires forward building. We have that ever in mind, and expect to aid in the continued development of Northern and Central California by encouraging new industries to locate in the territory served, by cooperating with existing enterprises, and by aiding merchants and manufacturers in the solution of reconstruction problems. Comprehensive studies are already under way to determine the character and extent of future markets for our services, the physical changes in our properties which will be required, and the opportunities for further improving our service to the public.
The Economics of A Bull Market

(Continued from page 2607)

limiting the size of traders' debit balances or, if such balances are too large, by a sort of quantity theory of the money notion of security prices, controlled and summarized as follows: Other factors being equal, the increase in the volume of stock prices varies directly with the quantity of credit or cash in the possession of speculators.

The purpose of this paper is to consider the matter of regulatory authorities to stop a runaway bull market and to describe the circumstances which can end security prices soaring quite with- out such intervention. It is obvious that purchasing power possessed by speculators is the major factor in the rise in prices. In the analysis that follows it is necessary to draw stock market participants into two groups: speculators and investors. It is assumed that the terms the terms allude to the attitude of speculators toward the market. They are, in fact, that investors want to participate in market trends and are more willing to invest in stocks they believe or are willing to do so. Investors are indifferent until the stock price has moved a long term. Speculators are more likely to take the form of (1) setting limits to the quantities of stock available to speculators or (2) common stocks, but also among carefully selected bonds and preferreds, and far more of such a long term in management and portfolio control, to which the phrase "leaders in war production—and the like" refers. The phrase "leaders in war production" points to a position of leadership when the war is won."

"Your $10,000"—"Stocks; the little folder entitled "Your $10,000," Knickerbocker Distributors, Inc., $10,000 investment in Knickerbocker Fund was diversified as follows: ..." the Knickerbocker Fund, included charts which had been processed by the Management of this fund since 1935 until current market forecasts made during this period. In the words of Lord & Abbott, "This is the best in all the market." The folder was the "record is good."

Reconversion Jitters

"No one can be sure just how much, if any, the market stock reaction will occur during the transition period. Although individual securities will be affected differently, there is a general investment management of this fund since 1935 until current market forecasts made during this period. In the words of Lord & Abbott, "This is the best in all the market." The folder was the "record is good."

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Full Administration Shares

"Fully Administered Shares is the phrase which applies to Group Securities" class, writes Distributors Group. This phrase refers to the up-to-date, revised and portable descriptions of this fund. It is reported that dealers are finding a "wide field of usefulness" for Fully Administered Shares, particularly... 1. Small investors whose volume of business does not warrant frequent personal attention.

The Knickerbocker Fund

The Knickerbocker Fund, Inc., for the Diversification, Supervision and Safekeeping of Investments

Prospectus on Request

Knickknack & Company, Inc.

General Distributors

Tulsa, New York 20

M:ANAGEMENT

Karl D. Pettit & Co.

29 Exchange Place

New York City 5

The George

THE KNICKERBOCKER FUND

Funds of Boston

$100,000,000

Automatic Investment

In the current issue of Items dramatizes the performance of Preferred Stock, Investment Corp. and National In-

vestors as follows:

"The average of industrial Average Industrial

railroad average at 319. This is where it would be if it had kept pace with the Broad-

Street since January 1, 1900.

"Actually the Average was 178,"

Appreciation Common Stocks

Keystone Corp., in a current issue of Keystone, reports on the assets and earnings of the 40 "ap-

preciation" common stocks currently in receipt in Keystone 8. The net equity available to these stockholders of the 65,000,000, as compared with their 1966 market value of $7,000,000. In other words there was $1.81 of assets for every dollar of stockholders' equity.

Last year these companies wrote $4.50 per share and paid dividends of $1.89 per share— that is, they paid out only 41.8% of their earnings and strengthened their position by retain-

ing the major portion of earnings. This group of stocks, writes Keystone, "is a group of leaders in the basic industries—e.g., Public Service and Utilities, the leaders in war production—and that is why at the start we projected a leadership position when the war is won."

"Your $10,000"—"Stocks; the little folder entitled "Your $10,000," Knickerbocker Distributors, Inc., $10,000 investment in Knickerbocker Fund was diversified as follows: ..." the Knickerbocker Fund, included charts which had been processed by the Management of this fund since 1935 until current market forecasts made during this period. In the words of Lord & Abbott, "This is the best in all the market." The folder was the "record is good."

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Full Administration Shares

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1. Small investors whose volume of business does not warrant frequent personal attention.

2. Trust accounts—large and

3. Corporate profit-sharing and pension plans.

A New Angle

Broad Street Sales Corp. in the current issue of Items dramatizes the performance of Preferred Stock, Investment Corp. and National In-

vestors as follows:

"The average of industrial Average Industrial

railroad average at 319. This is where it would be if it had kept pace with the Broad-

Street since January 1, 1900.

"Actually the Average was 178,"
sells when prices do get too high?

II

Obviously every share of stock purchased must be paid for some money, and this money may be borrowed, or it may be borne
by the seller at a cost. The cost is usually lower than the price paid

1. For example: Bank A advances $1,000 on a mortgage valued at $3,000, with an interest rate of 5% per annum. The bank will receive $3,000 upon maturity of the mortgage, and the borrower will be required to pay back $3,000 plus interest. The effective cost of borrowing the $1,000 is therefore 5% of $1,000, or $50 per annum. 

2. In the example above, the effective cost of borrowing is 5% of $1,000, or $50 per annum. This is the rate at which the bank is charged for the loan, and it is calculated as a percentage of the amount borrowed.

3. In this example, the effective cost of borrowing is 5% of $1,000, or $50 per annum. This is the rate at which the bank is charged for the loan, and it is calculated as a percentage of the amount borrowed.

Vol. 26, No. 11, 1945, p. 400, 16, U. S. WORLD'S LARGEST EXCLUSIVE MANUFACTURERS OF SHORT WAVE RADIO COMMUNICATION EQUIPMENT.

The "post-graduate" radio with the brilliant future

By many who know what they are talking about in the radio business, Hallicrafters has been quietly elected to the "post-graduate" class—most likely to succeed the "short wave" market that is so hot today.

There are many elements that go into this confident belief that will have the "post graduate" market in the industry. But they will most certainly continue to make the best—for radio announcers, whose radios will be more people-oriented than their "DA"-dumb, discriminating short wave listeners who want the best; and for radio stations, who are the universe who need the finest communications systems for land, sea and air commerce. Hallicrafters has staked its future on the growth of the world market, and because of the clarity of its purpose, the character of its management and the ability of the men behind the company can be confidently expected to live up to its selected reputation as being "most likely to succeed" in post-war markets.

-nickelized iron for the chassis and base, which otherwise would have been used in the construction of the "post-graduate" model. The result is a radio that is not only more compact, but also more durable and repairable.

hallcrafters Radio

The Hallicrafters Co., Chicago 16, U. S. A.
Municipal News & Notes

The favorable impact of the war on the finances of local governments is graphically illustrated in the report just issued by the Municipal Services Department of the Wall Street, Inc., on the "Trend of Taxaulding, 1930-1944." "This document, an annual compilation which was initiated in 1930, is a measure of the increasing influence which may be attributed to a glance the tax collection experience of cities over the past years, and their contribution to the local financial picture.

In discussing the record for 1944, the Department points to the marked 15th consecutive year that "America hermetically sealed their record in the collection of current property taxes. The development is the disclosure that 177 cities of over 50,000 population reported a total excess of $200,000 was revealed, 158 indicating 1944 exceeded 1943, and 16 indicated slightly less favorable records.

With respect to last year's returns, the report ismen's interest to the effect of war-boom pros¬sionals' city's collection of their taxes. Thus, while the med¬ian percentage of year-end delinquency on current tax levies for the 61 cities reporting a population of over $40,000 was 3.9%, similar with 4.7% in 1943, the comparable figure for property tax delinquency for the city of New Orleans was 5.5%.

One aspect of the analysis that is particularly interesting is that people are eager to see the city's collection of taxes in "cleaning up the streets" and the war effort. The fullness which marked the serene of the 1930s depression. It is important that in 1939 to 1942 a war econom¬

Cleveland Street Railway Property Ruled Taxable

The Ohio Supreme Court ruled on Monday that the municipal-street railway system of the City of Cleveland is subject to property taxes. It was held that the system is "engaged in a personal en¬try activities" and that therefore the property could not come within the bargain of "property used for public pur¬"sue.

Officials of the Cleveland system, upon learning of the decision, estimated that it would cost the city $256,000 annually in taxes. The properties were acquired by the city three years ago from the Cleveland Railway Company and the sys¬tem serves Cleveland and sur¬rounding communities.

The decision created speculation as to the possibility of the city's ability to negotiate an extension being en¬cluded to include other types of property owned by municipal subdivisions in the tax-exemption feature of this acquisition was made by Governor Frank J. Lausche, former Mayor of Cleveland, according to the decision that was made of the possibility of similar type of extensions being permitted to be subject to the Ohio corporation tax if the city's State's utility ex¬

The City of Cleveland issued a total of $17,500,000 transit revenue bonds with the purchase of the system. As a result of bond issu¬ing results, the debt has since been increased to $25,000,000 and the latest debt op¬eration occurred in the current year. The issue of $3,000,000 5% refunding bonds was approved by the State Railroad Commission in August 1944. These bonds, due semi-annually from 1945 to 1952, and op¬erating revenues of about $1,000,000 each year, have a cost of $3,000,000 and it was estimated that the bonds would be absorbed by the newly issued bond sale. The system is also a part of the Ohio Railway System, Inc., which owns the City Sinking Fund and the City Treasury. Purpose of the refunding was to remove the redemption of previously out¬standing higher-coupon callable debt.

West Virginia Asks Bids on $4,769,000 Local Municipalities to the field of portfolio sales is the State of West Virginia, which is asking for bids until June 20 on $7,500,000 bonds of its local subdivisions which are due May 1, 1955, under the West Virginia State's Compensation Fund. The value of the bonds is $4,769,000, with the bonds in each instance being general obligation bonds. The bonds will be sold in $1,000,000 lots.

With the intention of the State to invest proceeds of the sale in bonds of the Seventh War Loan, bids will be included in the offering bearing interest at 4%, with the balance of the interest not having been paid in full.

New Jersey Wins Rail Tax Suit

Another chapter in the lengthy series of tax suits was told by the State of New Jersey. Officials of the state, acting through the Board of Tax Appeals, won a suit challenging the tax assessment of the Port Authority of Hudson County. The port¬Aunt body "as examples of what Chicago may expect from a similar body as ours." The analysis and recommendations are additionally pertinent in light of the recent approval by the federal government of the cre¬ation of a Transit Authority for the purpose of acquiring for public-ownership and operation the local transit system.

While this project has been on "the fire" for quite some time, the Port Authority, according to the report, is computed at the rate of 12% a year and that not many 12% annual basis as it has been in the 1941-1942 rail¬road roads which were parties to the Port Authority and have $12,000,000 in in¬

Various municipalities in the State have a substantial finan¬cial interest in the matter and, in particular, Jersey City, whose share is approximately $10,000,000.

Port of New York Authority No Watering in Other Cities

Among the various pieces of legislation which seem to have the interest of the Department of Commerce, the extremely interesting address made by Austin J. Tobin, Executive Director of the Port Authority of New York, before the Union of the Czechoslovakia, early April, Mr. Tobin appeared before the Board of Trade of the Citizens' Public Affairs Committee and its Committee on New York, for the purpose of the Port Authority, which was cre¬ated by the agreement between the States of New York and New Jersey, has largely corrected the situation in the New York area and to show the way to solution of similar problems now confronting Chicago.

The Treasurer also disagreed that the sinking funds increased as a result of the re¬demp„tion, without refunding, of the $3,550,000 4 1/2% bonds due May 1, 1945, for the State of New York. This fund has been at the Treasury's disposal and could be redeemed in full by cash payments.

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The Securities Salesman's Corner

By John Buttry

How about the ladies? Today the greater portion of our investment wealth is held by the feminine brigade. If you do not have a substantial proportion of women clients today—you are the exception to the rule.

We have often heard securities salesmen remark that they didn't care to handle women's accounts. That they had no particular interest in them. They never, they didn't want this business. Possibly it does mean that women talk about different things than do your men customers—maybe they are difficult at times—but there is plenty of business to be had among the fair sex and the results achieved by several leading firms who have opened a women's department are truly encouraging.

The other day we had a chance to question one of the street's most successful women's clients on the subject of how to sell securities to women. She has accounts with a minimum of headaches and a maximum of efficiency. This little lady is a big investor. She is able to find the investment game on a more careful and cautious basis. Then if something you have sold out of her account moves up after you have disposed of it—you can always remind her that "it's better to be safe than sorry.

Point number three—Do the little things that build confidence. A woman who believes in your broker or dealer is even more loyal than the average man. That's the way she has selected her doctor or her lawyer. And as far as your firm is concerned—radiation is far greater with the average woman's account than with the average man's account—safeguard your reputation personally and in business—if you are doing a good job you'll find you'll have a wide market in front of you before long you will have some telephone calls from friends.

Point number four—don't talk about her affairs to others. It's a good thing to maintain the same sort of complacency for your man as you do for your woman. The average man wouldn't think of confiding anything to his associates. The same is true of the average woman. If you are a tailor, her parties or her friends may all be your business when she tells you out of earshot, forget that you heard it as soon as you lower your voice.

The rest is just common sense—sell good securities that are fitted to the requirement of the investor. Talk to your listener and your little lady who told us these things ain't fillin', she's proved that "there is gold in them there hills.'

Revoke Registration

The Securities and Exchange Commission recently revoked the registration of the over-the-counter broker-dealer registration of Hay, Fults & Co., Inc., for violations of the Securities Exchange Act in connection with the execution of brokerage transactions for customers and the expedient payment of their fee by R. C. M. Paige. Mr. Paige was not a member or employee of the firm, but had been an officer of an exchange for taking his clients' accounts to

Hytrons Radio & Electronics Corp. Common Stock

Proposers on request

Herrick, Wadell & Co., Inc.

55 Liberty Street, New York 5, N. Y.

The Securities Salesman's Corner

of the company's conduct is "one of carelessness and misunderstanding rather than of evasion," the

revocation has been ordered effective in fifteen days without prejudice to the firm's right to re-

registering for that thirty days thereafter. The Commission did not point out why it had chosen to&nbs...
The New York Stock Exchange

World's Greatest Auction Market

(Continued from first page)

The New York Stock Exchange, and he steadfastly answers that the New York Stock Exchange has some merit. The way so many folks sign up anywhere who has anything to do with the New York Stock Exchange.

In some gatherings you say you are a member of the New York Stock Exchange, but for the Wall Street stockbroker, a pluto-crat of Wall Street, has not been so highly

FDR Praise

In the spring of 1942 when the New York Stock Exchange conducted its 150th birthday, the following letter was read:

"To the New York Stock Exchange, a group of 24 brokers joined together in 1792, to improve the market in securities, the role of the Exchange and its responsibilities in the present situation has more than ever before been clearly established. The growth and expansion of the Exchange has been phenomenal, and today it has the opportunity of performing valuable service to the public, to the country, and to the world.

War Bond Campaigns

Since the war bond campaigns have exceeded $75,000,000,000 of War Bonds have been listed and purchased on the New York Stock Exchange, and today some 30,000,000 persons have vouched for this public service.

Whenever a new war bond campaign started, it was seen that those entrusted with the responsibility of its success and those who were responsible for the measure of its success on the part of the country. You seldom hear their names in the newspapers, but you do hear over the radio many of Hollywood's glamour—God bless them—who sell the E, and G bonds for a kiss or a dance or some monkeybusiness. Now, all such sales are legal, and sold millions of dollars' worth, but the purchasers of those millions do not have any idea of the money that they are spending. The Wall Street stockbroker, the banker, and members of the New York Stock Exchange are selling billions—God bless them, too—for without these billions there would be no money to buy anything, and they are doing it without regard for financial or otherwise.

As a result of the Federal Reserve Bank Act and the new central banks, the banks have gone public, and the public has a chance to own a piece of the banks. The dividend is high, and the bankers are the brokers, and they are doing it without regard for financial or otherwise.

During George Washington's face as President of the United States, the Congress met at Federal Hall sometime after the Revolutionary War debts of all the states were consolidated. Not long after, New York Stock Exchange 'public stocks', as they were then called, attained fairly wide dis-
Volume 161 Number 4394
THE COMMERCIAL & FINANCIAL CHRONICLE

Mistakes

There is considerable misunder-
standing about the nature of the purpose and functions of the Federal Reserve Bank system. It was not set up to control the
money market. It was to be a service
organization for the banking system, maintained in New York and other cities, and under the direction of the Board of Governors, appointed by the Secretary of the Treasury, and by
the Treasury Department. The Reserve Banks are not independent
studies, but are controlled by the
Board of Governors, and are not
about regulatory, but about providing
service for the banking and financial
system.

6. The small buyer gets the same
consideration as the larger buyer.

7. Government bonds can be
bought and sold in the open market
exchanges.

8. Securities and commodities are
purchased for investment as well as
for speculation.

9. The Federal Reserve Banks are
controlled by their members and
exempt from supervision.

10. Commodity and Securities
Exchanges are controlled by their
members, and important ones are
controlled by the Commodity
Exchanges Administration of the U.
Department of Agriculture.

The Securities and Exchange Commission

The Federal Reserve Bank of St. Louis
Digitized for FRASER

Brocker-Dealer Personnel Items

If you contemplate making additions to your personnel group, you may find the following information of interest.

NOMINEES

Cleveland, Ohio. (Special to The Treal Eckford Mitchell, who
was with Mitchell & Co., and now with
F. B. Baker & Co., and Bankamerica
Company.

Los Angeles, Calif. (Special to The
Financial Chronicle.) Harold R. Brown has
joined the staff of Bank of America
Building. Mr. Brown was previously with
R. B. Baker & Co. and H. B. Baker &
Co.

L. A. Young is affiliated with Thomsen &
Cronin, Pacific Coast Branch.

San Francisco, Calif. (Special to The
Financial Chronicle.) A. W. Carne is
affiliated with W. H. Rollins &
Co., Pacific Coast Branch.

West Palm Beach, Fla. (Special to The
Financial Chronicle.) Thomas A. Lyseth is now in charge of
the Hippodrome Corp., and has
previously been affiliated with
Walston, Brown & McKinnon, Inc., Russ
& Weedon, Inc., and Brown & McKinnon,
Inc., West Palm Beach.

San Francisco, Calif. (Special to The
Financial Chronicle.),--H. L. Day &
Co., of 609 South Street, he was
previously with R. B. Baker & Co.

Orlando, Fla. (Special to The
Financial Chronicle.) W. H. Rollins &
Co., of 609 South Street, formerly
affiliated with Walston, Brown &
McKinnon, Inc., Brown & McKinnon,
Inc., and Brown & McKinnon, Inc.,
West Palm Beach.

Hartford Bond Club

Elects New Officers

HARTFORD, CONN. The following
officers and governors have been elected by The Bond
Club of Hartford, Inc., for the year beginning July 1:

1. John W. Beardley, President;
2. Charles T. Coo, Vice President;
3. Thomas W. Gibbons, Secretary;
4. George A. Hendrick, Treasurer;
5. Captain W. H. Whipple, Corresponding
Member; and
6. Captain W. E. Hosford, Corresponding
Member.

In addition to the above governors, H. H. Whipples, Whipples
Viering Co., is also on the board, and has been elected to the
club for a term which has not expired.
Compulsory Peacetime Military Training

(Continued from first page)

extended to the end of the war and such emergency period as may follow immediately upon the conclusion of hostilities will be done at your option either now or at any later date save as a result of altered conditions which clearly require action.

Common Misunderstandings

Those who argue the desirability of compulsory military service for a certain period of time in time of peace, say that it seems to them to be suffering from a misunderstanding of facts, and to be possessed of a much greater faith in the possibilities of peace than the President of the United States.

President Roosevelt once spoke of the proportion of men rejected under the present law for medical reasons as "apalling." Some such term has been used repeatedly for several years in the country by those who profess to be jealous of the health of the country.

It is rather the nervous disorders, or the tendency to them, found so prevalent which has caught the public eye.

As to these let it be observed that never before have the great armies of the world been trained nor kept in such good order as they have been subjected to such searching examination. In 1917 no such techniques had been developed. There is, therefore, no standard except perfection by which to measure these results.

There is no reason whatever for supposing that equally startling results would not have been found in 1917, or that the situation found in this country did not exist in 1917, particularly in such areas as New England, France, or Russia, where universal military service has been the rule since time out of mind. Assuming reasonableness of the examination and war to have been developed a technique by which we can often detect in advance the individual who will "crack" first when fearful pressure is brought to bear upon his nervous system. It may be that we should be giving thanks for this scientific advance rather than deriding its findings.

To be sure, no one has ever supposed that all men are equally resistant to such pressure. Individual differences are perfectly normal. In many instances the disabilities causing rejection by army medical tests are significant only in relation to the peculiar strains of war.

Just Human Beings, Perhaps!

It may be that some of the "abnormalities" found are in fact deviations from the "normal." Those who assert adult memories extend back to World War I may not have forgotten what a sensation was caused at that time by the results of "the records" given to supposedly give a full cross-section of the male population within certain age groups. Many will recall the headlines which from day to day informed us that a very large percentage of the rank and file of the youth of the country had been found to be moronic. Of course, the matricule knew, as the public was later to learn, that the yardstick (constructed on previous rather limited knowledge of human sapiens) was at fault. It would not be surprising if we are now learning not so much how American youth deviates from "normal" as how the true "normal" of the past.

At any rate, it is difficult to see how the record, whatever it is, can be used to support proposals such as are now being made for universal training, military or otherwise. They are too much complained of as being either incompetent and beyond remedy at birth or else an outgrowth of experiences of early life. Life in a military camp is not likely to be of great benefit to those who are likely to be benefited by what is desired. We may not seek to educate individual so afflicted—if affliction it is—for the purpose of giving them treatment, that objective surely can be reached today by much more effective and less expensive means than by universal compulsory military training.

Would It "Do Them Good"?

The vague, popular idea that a "year of military training would do the youth of the country good" is found upon examination to be entirely without evidence. Doubtless a certain percentage of the youth of the country would benefit from such training or service, but there are a great many who would not, and, for that matter, will suffer from it. Experience has shown it too often that this sort of regimentation and discipline imposed from without can not infrequently unfit rather than fit youths for civilized life. It appears to be assumed rather than demonstrated that the youth of the country would be equally capable of exerting themselves in a service and discipline and conformity to rules that would flow from compulsory service. It could as reasonably be assumed, we suspect, that out of it would flow the kind of aggressive super-nationalism that has so often upset the peace of the world.

The plea for compulsory military training on these grounds appears to us to be a confession that the family, our religious, educational, and other social institutions have so far failed to draw to public and private attention the willingness to pass our common problems over to a Federal Government with a rather naive supposition that it can do a better job with them than can the people of the country. After all, the people of this country have filled the new military during the past year or two, have not passed long enough to apply plain common sense to the question in hand. We are told that we were caught by surprise when Germany and Japan went on the rampage this time, and warned how much more damage might be done next time when many varieties of new weapons will have been perfected and when the scientific demonstrations prove them to be the only weapons worth having. How, then, can any one doubt that Germany, when she started out under Hitler to defy the rest of the world, could have been brought quickly enough to heel by France and Great Britain? The nations would have acted with what arms and armies they then had? It was something other than lack of armament or trained men which prevented the two major powers from bringing the defeated to their knees. It was no matter how large and powerful, cannot take the place of the kind of statesmanship which could very easily have nipped all this business in the bud. Now we have a much broader base in the form of the United Nations, Japan when that country has been thoroughly defeated, Italy has long been rendered harmless. It can scarcely take a huge army to keep a country where the military has been disarmed. That will aid the peace not only, but certainly not one which would develop into a threat over night in such a way that we should not have ample time to prepare for whatever comes. And, finally, whether or not we have compulsory training, a large, trained military reserve would make no difference in the course of relations between Russia and the United States.

This leaves Russia. The Soviet State under Stalin has in recent years shown a noteworthy tendency to become "imperialistic," it must be admitted. It is hardly probable that Russia and the United States—assuming that we even halfway mind our own business—should collude in any way as to cause armed conflict between the two countries, and until Russian sea might is infinitely greater than it is now, it would be about as difficult to understand how she could constitute a serious threat to us. What is more, Russia would have so much to do before she had reached the point of the previous section that she would have more than ample time to prepare for whatever comes.

And, finally, whether or not we have compulsory training, and a large, trained military reserve would make no difference in the course of relations between Russia and the United States.

This would seem to leave no reason whatever for the elaborate, complicated and un-American system of peacetime compulsory military training as being proposed.

With all countries which might otherwise undertake such a step attack upon us thoroughly impressed and kept on the alert, the latter part of this country, and with no other country either with a motive or ability to perpetrate such a dastardly deed, there would be no necessity for us to put all the land to death of which we are being daily warned could be launched.

But upon closer analysis, these accounts of flying death from heaven knows where without warning, even if they are taken seriously, do not themselves afford a valid argument.
Comments of House Committee Members on the Boren Bill

(Continued from page 286)

LEONARD W. HALL

New York

The Boren Bill to exempt munici-
pal bonds from the registration of
municipal bond dealers is a prac-
tically essential legislation if we are
to prevent gliding injury to munici-
pal bond dealers, and also dealers in
those securities. There is no real
question that unless that provision
is made, a certain class of contra-
terfeiting those securities. If there
is not a real question as to what
would be the effect of SEC control
on municipal bonds as well, there
is little doubt that in small primary
and secondary dealers would eventu-
ally be priced out of the market by
the SEC. The attempt by the SEC to
certify control is also, in and of itself,
illegal and inconstant, calling out
as it does the dealer class.

Leopold municipal bonds are ex-
cept from SEC controls, we will get
a sharply increased spread in the
final sale price of municipal bonds on
the secondary market which, in turn,
would have a directly unfortunate
effect on primary sales by municipalities.

The quicker we pass the Boren
Bill and remove the greatest
now being wielded by the SEC over
the municipal bond market, as well
as the States and municipalities
themseives, the better for the
community as a whole. In this
acceptance of the Boren Bill, however,
I am not opposed to the Boren
Bill, I am opposed to the SEC control
which originally vested the SEC for
the purpose of preventing fraud,
and I have not changed my stand on
that position. However, when the
Committee meets again on this
matter, there are some items that
should be kept in mind. There has
ever been to my knowledge any instance of
fraud in any of the securities on
the disposing of municipal bonds.

REP. EDDIE K. KELLY

Illinois

I do not want to impair the sell-
ing of bonds of States and munici-
palities, and representatives of municipalities testified before the
Committee that under the SEC setup such selling is impaire.

I was one of the members of Con-
gress that sat on the committee which
originally opposed the SEC for the
purpose of preventing fraud, and
I have not changed from that position. However, when the
Committee meets again on this
matter, there are some items that
should be kept in mind. There has
never been to my knowledge any instance of
fraud in any of the securities on
the disposing of municipal bonds.

REP. ERVIN HOWELL

Illinois

I favor the Boren Bill as intro-
duced. The power to define Financially a Congressional power and it should remain with Congress.

As a result, SEC's proposed rule,
which would require that the SEC could not waive SEC power to control such securities.

Tess Howell

The Boren Bill as originally in-
truded would exempt not only municipal securities but also all other securities. I am in favor of the Boren Bill as amended to so apply only to municipal securities, I am in favor of it.

REP. CLARENCE J. BROWN

Ohio

I think the Boren Bill should be
passed, so as to take away from the
SEC any control whatever over the
insurance or resale of municipal and
other governmental se-
curities. I do not think that anything
in the statute itself will prevent
the kind of public utilities which
are not municipally owned, or the
SEC from regulating them in the
normal manner. I think in general
such bonds should not be discrimi-
nated against. Nobody ever bought
bonds of the United States and
other securities and merchant-
able bills to continue to be con-
trolled by the Treasury in
the normal manner. I think in
general such bonds should not be
discriminated against. Nobody
ever bought
bonds of the United States and
other securities and merchant-

SF Conference Completing Its Agenda

(Continued from first page)

at home, the smaller powers are finding it advantageous to bargain for the calling of an amending conference of the Assembly in five to ten years after ratification of the Charter. . .

Realizing the practical difficulties Miss Cafﬁeld wants to see her efforts unbarred until the time of the new conference. Australia under the leadership of the aggressive Mr. Evatt, wants the last word in ratifying an amending conference at any time. All the leading nations of the world are now waiting to determine the interpreted state of the matter in a discussion. . .

The need for a trial-and-error approach in ratifying amendments to the American Constitution. It is the responsibility of the non-Big Powers understanding. . .

One of the Chilenos dele¬

ted creatures that in a way dis¬

couraged itself and it could be a
gainst the rate of the new free
to the work of the Assembly.

In any event when an amending

Conference is called, the first thing to be done is to complete the work of the Assembly.

After the discussion and agreement of the new Conference are completed, the Conference will be able to make the economic and social world a better place than an idealistic international organization.

its labors completed with the assurance and efﬁcient of the Organization Committee and Economic and Social Council, the Committee has been completed by the drafting subcommittee last 17 times.

A detailed analysis of the new provisions appeared in this column last week. Generally, it may be concluded that the Council’s powers were not implicit in the Dunbar-

Rich and Oaks, for anything that they may have come to. . .

By speaking, it was possible to ﬂourish out and spell out this by not being in the air. But for the fact that a majority of the white states are in the United Nations, the question whether the air existed or not still existed in the world.

In lieu of its former spectral reaction in selling the Council as a possible or talkboy, the public is now boosting it to the other extreme of credit it with making the work of the Security Council unceas-

Sir A. Ramaswami Mudaliar of India, Chairman of the Confer-

ence, has pointed out that relatively the provisions of the Charter for the American economic and social problems were important. It is the absence of any changes in those clauses that have been the subject of the military and political plans.

With regard to Dunbarton Oaks, the purpose is speciﬁed to promote the Charter. . .

In addition to the provisions for the Economic Council, the Charter, according to the principles designed . .

(1) By China and the United States for a Commission to regu-
nate the non-Big powers, and targeted.

(2) For reconstruction of devas-
ted areas. . .

(3) A declaration by Panama in favor of the charter. . .

(4) For intellectual cooperation, by France.

The final details of working arrangements between the Economic and Social Council and the General Assembly are left for. . .

Australia, Cuba, New Zealand, Columbia, Brazil and Chile are not known for their enthusiasm. . .

They are not known for their enthusiasm as they are not known for their enthusiasm in a sense. . .

Another point that Mr. Onset of the tiny non- veto area even at the present time, is attested by the discussion at today’s heated conference meeting when Mr. Evatt from New Zealand developed the fact that it is not known how the veto can be stopped by a carac¬

The big powers’ failure to re¬

The real result of the veto battle is to be. . .

But it is certain that it can be cooked up our country to it. . .

the position as to what a point involves disturbance of the veto. . .

In any event this anti-amend¬

ment conference which was the first in the proceedings here, and later in the Senate, has been argued from the re¬

Along with the disagreement about the proposed changes through changes in its regulations, there is disagreement over the question of the composition of its members. . .

and Chiefly for purposes of home consumption and export, the country, including the South Americans, want the rich richly written as it is. . . If their suggested amendments are to be voted.

Despite the tedious fund-raising activities, and the epochal an¬

nouncement of the "great Soviet con¬

clusion of the Veto, includ¬

The big Powers interpretation is wholly in¬

comprehensible, and some respects and correspondingly to other states, despite the. . .

The Council can only discuss whether a dispute can be discussed, and what it can discuss, it can’t be investigated. . .

The powers of the Council, for the. . .

most, the decision as to whether a point involves disturbance of the veto.

"It is true that growing disparities in the world of the Organization are arising that the national economic and social problems must be avoided, and the ele¬

ments of present no insurmountable. . .

It is true that growing disparities in the world of the Organization are arising that the national economic and social problems must be avoided, and the elements of present no insurmountable. . .

It is true that growing disparities in the world of the Organization are arising that the national economic and social problems must be avoided, and the elements of present no insurmountable. . .
The Fallacy of Taxes On Capital Gains

(Continued from page 2630)

The anti-Inflationary Aspect

As a matter of fact, those who believe that the provisions of the tax law relating to capital gains make no attempt to deal with the problem of the revenue aspects. They are uninterested in the fact that, by lengthening the holding period required to qualify for the lower rate of taxation, they can prevent an anti-Inflationary rise in prices. Their interest is in the other illegitimate. It has been shown that this measure will prevent the Instead of dealing with root and twig, we are concerning ourselves with manifestations. All situations. To my knowledge, there is no tax law, and instead of restraining prices, the proposed changes in the capital gains tax would have the effect of causing us to advance and of creating a greater number of capital gains. This is most important in view of the fact that we have a scarcity of hard-working capital. As the law stands today, there is a vast difference between the taxation of profits derived from transactions. Net gains derived through sales of property held for less than a year are to be treated as taxes purposes as ordinary income. H. R. 3600 is based upon which the taxpayer is assessed a surtax. A comparable provision is made for the deduction of net short term capital gains as income. Thus, today, we have a symptom of the inevitable economic turnover of property. On the whole, the proposed surtax, in my opinion, would be a big factor in the protection adequate for the long term investment of capital and in the preservation of nature, presupposes an ultimate stabilization. I doubt whether those persons who wish to capitalize for a long holding period and a higher rate appreciate what the consequence will be. We already have gone as far as our resources can go, and further drastic interference with the transfer of capital assets would put a brake upon the operation of the law of supply and demand, which in my judgment, results eventually in the stabilization. In the course of readjustments after the war, the transfer of property is the cheapest and easiest types of production to other uses and the change in the form of capital which can be worked to best advantage in the production of capital and labor. Many persons, without capital and skilled with capital, have been blocked by this feature of the present law. This statement is based upon the assumption that the cash and gains proved earned over a series of years are, under the present law, far too high in the year in which the profit is reported, that sales losses, with their possible profit-taking and consequent increase of the gains, have been blocked by this feature of the present law. This is a feature of many tax changes. The present law in its present form is a different and in many respects, a more drastic tax than the one which has been proposed for many years. The existing law, while it has been the subject of a number of criticisms, is a better tax. The present law is a better tax because it is a better tax than the one which has been proposed for many years. The existing law, while it has been the subject of a number of criticisms, is a better tax. The existing law, while it has been the subject of a number of criticisms, is a better tax than the one which has been proposed for many years. The existing law, while it has been the subject of a number of criticisms, is a better tax than the one which has been proposed for many years.

The Public Utility Securities

(Continued from page 2630)

Howard Fitch Returns to Desk at Stern Bros.

KANSAS CITY, MO.—Stern Bros., 1009 Baltimore Avenue, announced the return of Howard Fitch to the desk at the company. Fitch retired in 1935 and has been reemployed by the firm as one of three active as a member of the staff of the company. Fitch has been employed by the company since 1917. He is one of the owners of the company.

George R. Hollenbach to Be Inv. Dealer

FREDERICKSBURG, VA.—George R. Hollenbach is engaging in the securities business as an individual at 112 Water Street. He is a former employee of C. S. Werts & Bro. and in 1927 started his own business at 1022 Broad St. Holenbach & Phillips Co. At present he may be seen at 245 Burdorn Road, Dree Hill, Va.

E. R. Davenport Admits

PROVIDENCE, R. L.—Allan G. Davenport has been admitted to the partnership in the firm of E. R. Davenport & Co., Hospital Trust Building.

Rudolph Nadel Returns

Rudolph Nadel, a partner in Mr. D. S. Nadel & Co., New York Stock Exchange, is killed in Europe on information. He is a member of the U. S. immigration. He was one of the most prominent members of the firm at the New York Stock Exchange. He was one of the most prominent members of the firm at the New York Stock Exchange.
Senators View Bretton Woods

world of today, Bretton Woods once again seems to be operating as a haven of order and stability. This is not surprising, for the system was designed to provide a mechanism for international economic cooperation and stability. However, there are some concerns about the sustainability of the system. One concern is the growing imbalance in the global economy due to the increasing role of emerging market economies. Another concern is the potential for a financial crisis in the United States, which could lead to a collapse of the system. Despite these concerns, the Bretton Woods system remains an important cornerstone of the global economy and continues to play a crucial role in promoting international economic cooperation and stability.
The Fallacy of Taxes On Capital Gains

(Continued from page 2611)

The Cross Company—Minute & Co., 25 Broad Street, New York 4, N. Y.

Elk Horn Coal Corporation and Lawrence Portland Cement Co.—Being on attractive possibilities for price expansion, two industrials.—Morris Cohen & Co.—Broadway, New York 4, N. Y.

Fort Dodge, Des Moines & Southern Railway Company—One-price offers; published quotations.—Securities Quotations—L. W. Fizel, 21 N. W. Fizel, 21 Chicago 4, Ill.

Intelligence of the Internal Revenue Code exempting non-resident Aliens engaged in the business of the United States from tax on capital gains have worked well in practice and should not be disturbed in so far as they apply to persons actually residing outside of the United States. Due to the extrac¬

terrestrial nature of the tax, however, the provisions have been prevaled during the war, many aliens physically reside in the United States but are not considered residents for tax purposes.

Under the Internal Revenue Code of 1937 the United States cannot claim tax on capital gains and the question arises as to whether such dividends are really dividends from United States securities or from foreign securities, the latter being

The proposed Tax Conventions Awaiting Ratification by the United Kingdom, designed to act as a substitute for the capital stock of United States and the treaty and thereby encourage the free flow of foreign commerce in United States securities without tax avoidance or rejection by the Senate. These conventions provide for the broad objectives of these Conventions to be realized by the treaty, by the Convention, of the tax-free status granted non-domestic investors holding in this country.

This subject is being considered by Congress at a time of extreme sacrifice on the part of the people in pursuit of the war effort.

I have no knowledge of the number of people from abroad who are paying taxes on income by virtue of the domicile provision of the capital gains tax.

Lea Fabrics—Discussion of interest on post-war situations—Pumme, Inc.—Broadway, New York 4, N. Y.

Lire Railway Corporation—Circular—Inc., 55 Liberty Street, New York 4, N. Y.

Magna Corporation—Brochure and stationery information, available to dealers—Fred W. Freeman & Co., 208 South La Salle Street, Chicago 4, Ill.

P. R. Mallory & Co., Inc.—Analytical discussion—Reiner, Bowman, & Co., 378 Broad Street, New York 4, N. Y.

Michigan Chemical Corporation—Report on interesting growth possibilities during the War.—Konegli & Co., 141 West Jackson Boulevard, Chicago 4, Ill.

National Automotive Fibers—Circular.—70 Madison Avenue, New York 4, N. Y.


New York Church Exchange Com¬

Bookshelf

Business in Two War Periods—Leonard P. Ayres.—The Clevelend Trust Company, Cleveland, Ohio

Model Bicentennial Conventions for the Prevention of Interest on Post-War Tax Con¬

Business—Report of second regional tax conventions—Macfadden—350 Fifth Avenue, New York 1, N. Y.

NEW FILINGS

List of issues where registration statements were filed for May 16-22, 1945.

CALIFORNIA
Lucas Gas Co., Inc., filed a registration statement for $55,000,000 par value of preferred stock.

KANSAS
American Oil Co., filed a registration statement for $50,000,000 par value of preferred stock.

OHIO
Timken Co., filed a registration statement for $1,000,000 par value of preferred stock.

TENNESSEE
American Tobacco Co., filed a registration statement for $300,000,000 par value of preferred stock.

FEDERAL RESERVE BANK OF ST. LOUIS
http://fraser.stlouisfed.org/

Calendar of New Security Filations

OFFERINGS

EYERIA VENTURES CO., on May 20 filed a registration statement for $25,000,000 par value of preferred stock.

Details—See issue of May 16.

Underwriters—Herkimer & Weeks Co., New York City.

New York Stock Exchange.

SUNDAY, JUNE 16

UTAH OIL REFINING CO., on May 20 filed a registration statement for $1,200,000 par value of common stock.

Details—See issue of May 16.


New York Stock Exchange.

SUNDAY, JUNE 23

LIBERTY LOAN CORPORATION, INC., on May 20 filed a registration statement for $25,000,000 par value of series D preferred stock.

Details—See issue of May 23.


New York Stock Exchange.

SUNDAY, JUNE 24

E. R. SQUILL & SONS has filed a registration statement for $25,000,000 par value of preferred stock.

Details—See issue of June 22.


New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN CORRUGATED CARDBOARD CO., on May 23 filed a registration statement for $25,000,000 par value of preferred stock.

Details—See issue of May 16.

Underwriters—First Boston Corp., New York City.

New York Stock Exchange.

THURSDAY, JUNE 28

HAMILTON WATCH CO. has filed a registration statement for $4,500,000 par value of preferred stock.

Details—See issue of June 21.


New York Stock Exchange.

THURSDAY, JUNE 28

COVENTRY GOLD MINING CO., on May 23 filed a registration statement for $75,000,000 par value of preferred stock.

Details—See issue of June 14.


New York Stock Exchange.

THURSDAY, JUNE 28

PORTLAND GENERAL ELECTRIC CO. has filed a registration statement for $1,000,000 par value of preferred stock.

Details—See issue of June 14.

Underwriters—First Boston Corp., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

WASHINGTON S. ALDER & CO., on May 20 filed a registration statement for $25,000,000 par value of preferred stock.

Details—See issue of May 16.


New York Stock Exchange.

THURSDAY, JUNE 28

ATLANTIC TELEVISION CORP., on May 15 filed a registration statement for $25,000,000 par value of preferred stock.

Details—See issue of May 16.

Underwriters—Vanderbilt & Dyke, New York City.

New York Stock Exchange.

THURSDAY, JUNE 21

MOUNTAIN STATES POWER CO. has filed a registration statement for $75,000,000 par value of preferred stock.

Details—See issue of June 14.


New York Stock Exchange.

THURSDAY, JUNE 21

ED. SCHUETER & CO., INC., filed a registration statement for $100,000,000 par value of preferred stock.

Details—See issue of June 16.

Underwriters—Clark, Collie & Co., New York City.

New York Stock Exchange.

THURSDAY, JUNE 21

BURLINGTON MILL S. CO. has filed a registration statement for $150,000,000 par value of preferred stock.

Details—See issue of June 16.


New York Stock Exchange.

THURSDAY, JUNE 21

ELEVEN CH. has filed a registration statement for 4,000,000 shares of $3 preferred stock.

Details—See issue of June 14.

Underwriters—Dillon, Read & Co., New York City.

New York Stock Exchange.

THURSDAY, JUNE 21

THE TRAMBOILCO has filed a registration statement for 50,000 shares of $25,000,000 par value of preferred stock.

Details—See issue of June 16.

Underwriters—Huntington Co., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

MOORE & CO., on May 20 filed a registration statement for 2,000,000 shares of $200,000 par value of common stock and common stock.

Details—See issue of June 14.

Underwriters—Carnegie Co., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

PAN AMERICAN AIRWAYS CO., on May 20 filed a registration statement for 3,000,000 shares of $25 par value of preferred stock.

Details—See issue of June 14.


New York Stock Exchange.

THURSDAY, JUNE 21

V. G. MOUNTAIN & CO., on May 21 filed a registration statement for 20,000,000 shares of common stock.

Details—See issue of June 14.

Underwriters—Smith, Barney & Co., New York City.

New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN ENGINEERING CO., on May 21 filed a registration statement for 25,000,000 shares of common stock.

Details—See issue of June 14.


New York Stock Exchange.

THURSDAY, JUNE 21

STANDARD TURBINE & ELECTRIC CORP., on May 11 filed a registration statement for 2,000,000 shares of common stock.

Details—See issue of June 14.

Underwriters—Carnegie Co., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

WENDELL F. CO., on May 17 filed a registration statement for 100,000 shares of common stock.

Details—See issue of June 14.


New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN CORRUGATED CARDBOARD CO., on May 23 filed a registration statement for 5,000,000 shares of common stock.

Details—See issue of May 16.


New York Stock Exchange.

THURSDAY, JUNE 21

WESTBROOK, WILLIAM R. & CO., on May 21 filed a registration statement for 1,000,000 shares of common stock.

Details—See issue of May 16.


New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN BOREALIS & CO., on May 23 filed a registration statement for 500,000 shares of common stock.

Details—See issue of May 16.


New York Stock Exchange.

THURSDAY, JUNE 21

THE J. H. HURLEY & CO. has filed a registration statement for 1,000,000 shares of common stock.

Details—See issue of June 14.

Underwriters—Francis Co., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN BOREALIS & CO., on May 23 filed a registration statement for 500,000 shares of common stock.

Details—See issue of May 16.


New York Stock Exchange.

THURSDAY, JUNE 21

THE J. H. HURLEY & CO. has filed a registration statement for 1,000,000 shares of common stock.

Details—See issue of June 14.

Underwriters—Francis Co., named principal underwriters.

New York Stock Exchange.

THURSDAY, JUNE 21

AMERICAN BOREALIS & CO., on May 23 filed a registration statement for 500,000 shares of common stock.

Details—See issue of May 16.


New York Stock Exchange.
BRAFEXDERS’ REPORT

Railroad Prospects
Well up on the list of prospective refiners in the railroad field is the Great Northern. At last September sold $100,000,000 of new issues to replace outstanding 5% bonds due in 1945.

The company is now regarding its issue from Harwich with refinancing of its outstanding $150,000,000 of Series 1 bonds, due 1967, subject to call in 90 days on notice on any interest.

This operation will very likely result in a great saving of funds for the year 1947, but only the other sizable issue subject to call can be replaced before July, 1947.

Rejects Tariff Cut
Power for Trum

On a vote of 26-10 the Senate Finance Committee turned down the Administration’s request for authority to cut tariff rates an additional 30%, and then reported the request to the Full Senate. A bill extension bill favorably, the Association Press reported from Washington, June 8, and went on to say that in spite of the Commerce Department’s view (Dem.-Ga.), the Chamber, ex- porter and manufacturer alike, will write the additional rate-cuts in the Senate, and when it is called up in the Senate by the General Post Office in two or more amendments, including one sponsored by Senator O’Malley (Dem.-Wn.), a member of the Committee—which would have provided for a comprehensive review of all new trade agreements by a committee of the Senate. It looks like a vote of nine to ten.

By exactly the same vote, the Senate, over the recommendation of Senator Taft (R.-Oio.), would require a favorable report by the Committee of the Commerce Department’s view in the Senate, and when it is called up in the Senate by the Commerce Committee, the Senate by a vote of nine to ten.

By approximately the same vote, the Senate concluded, over the recommendation of Senator Taft (R.-Oio.), would require a favorable report by the Commerce Department’s view in the Senate, and when it is called up in the Senate by the Commerce Committee, the Senate by a vote of nine to ten.

LION OIL REFINING CO.

The Lion Oil Refining Co., of Philadelphia, Pa., has declared a dividend of 12% on the capital stock of $250,000, which is payable Nov. 1, 1945, to stockholders of record at the close of business on Oct. 1, 1945.

DIVIDEND NOTES

The brokerage commission for Government paper has been at 8% per mile, against the former rate of 3% per mile, and for non-Government bonds and shares at 8% per mile, against 5% per mile previously.

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared a dividend of 5% per annum on outstanding Preferred Stock Regular Quarterly Dividend of $6.25 per share payable on January 1, 1946, to stockholders of record at the close of business on December 25, 1945.

EATON & HOWARD BALANCED FUND

The Eaton & Howard Balanced Fund, a diversified $25 a share balanced fund, which has been maintained in the market over the past year, has been declared a dividend of 5% per annum on outstanding Preferred Stock Regular Quarterly Dividend of $6.25 per share payable on January 1, 1946, to stockholders of record at the close of business on December 25, 1945.

DIVIDENDS

United Pictures Company, Inc.

DIVIDEND

The brokerage commission for Government paper has been at 8% per mile, against the former rate of 3% per mile, and for non-Government bonds and shares at 8% per mile, against 5% per mile previously.
“Our Reporter on Governments”

By JOHN T. CHIPPENDALE, JR.

The 2½% due 1967/2, the highest yielding taxable bond that can be bought by individual investors, is still the belle of the ball when considering the Government bond market. Although this issue continues to move into new all-time high ground, it is still considered the most attractive taxable obligation for the commercial banks, and not for the institutions that have savings deposits. Holders of the 2½% due 1967/2 and the 3½% due 1996, are being advised to sell these bonds and to reinvest the proceeds in the 2½% due 1967/2.

TAXABLES GAIN

Helped by the sharp demand for the longest unrestricted taxable obligation and by the entire taxable list improved with the best showing made by the 2s due 1951, the 2½% due 1951 and the 2½% due 1974.

A better tone was in evidence in the shorter maturities such as the 2s of 1951, and the 2½% of 1958, as these bonds were taken on by those institutions who feel that the 2½% due 1951 is an attractive return at these levels.

It was pointed out by certain purchasers of these securities, that they believe that these obligations at present levels are pretty well adjusted to the new offering of the 5½ year 1975.

CAUSE AND EFFECT

For it is reported that if the new 1½% due December 15, 1950 go on to as substantial a premium as is looked for, the shorter maturities of the outstanding 2½% will be very little affected by the new financing.

Improvement was registered in the restricted issues as the 2½% due 1967/2 and 1967/71 move ahead to bring them in line with the price advance that has taken place in the shorter maturities of these bonds.

WHY A PREMIUM?

For individual and other who can buy the 2½% due 6/15/67/2, that are available in the Seventh War Loan, at 100, there seems to be no reason why they should pay a premium for the outstanding obligations. The buying that is going on in the outstanding restricted issues is probably due in part to the expectation that these bonds will be eligible for bank or building savings several years ahead of the new ones. Some profit taking and switching out of the 2½% due 1967/29 was reported, but this issue held firm and gave up very little of its recent advance.

The recommendation is still being made that these bonds be taken on by those who are in a position to do so, at these levels, with the advice that larger amounts be purchased if weakness should develop in them during the final phase of the drive.

MARKET FAVORITE

The outstanding issue in the partially exemptable is the 2½% due 1965/66, which also moved into new all-time high ground because of the favorable “tax free yield” that is available in these obligations. The market is compared with similar issues of the taxable bonds. The 2½% due 1965/66, the 2½% due 1953/54 and the 2½% due 1951/52 also showed substantial advances. The short and intermediate maturities of the partially exempted registered issues also showed gains.

The issues however are not considered too attractive at these levels since in many instances the taxable obligations give a larger “tax free yield” than is obtainable in the partially exempt issues. The last four maturities of the partially exempted issues are still considered the most attractive obligations in this group.

OPINION

Likewise appreciation possibilities exist in these bonds as long as the “tax free yield” on these obligations is larger than that available by institutions who feel that the 2½% due 1967/2 is an attractive return at these levels.

The opinion is held in certain quarters that the long partially exempted issues will not be subjected to downward price adjustments despite present high levels, unless there is a recession in the prices of the taxable issues. If there should be a sell off in the taxable and partially exempted issues from these levels, the opinion is still held that it will be substantial and will be very temporary.

Accordingly the recommendation is still being made that on any price weaknesses the issues that meet the needs of individuals and institutions should be picked up in substantial amounts.

BRITISH POLICY

Although full details are not yet available, reports indicate that the British issuance of 2½% War Bonds will result in a slight decrease in the cost of carrying the debt in that country. The adoption by the English of a 1½% rate instead of a 2½% rate, last year, was given as one of the important reasons for the sharp rise in prices in our Government market.

This price rise made it possible for the Treasury to finance with a 1½% rate instead of a 2½% rate.

Despite what happened in the past, informed students of the money markets are of the opinion now, that the pattern of financing here is so well set that changes in rates elsewhere would have no effect on rates here.

They point out that our financing of the needs of the Treasury which is to finance as cheaply as possible. The money markets in both countries are determined by the needs of the Treasury, and the government has the power to maintain rates at present low levels. The Treasury will continue to offer long term 2½% to insurance companies and savings banks, and this rate for long term funds is satisfactory to institutional investors.

POST-WAR

The liquidity of our money markets in the post-war period, particularly once a substantial return flow of currency from circulation sets in, and gold returns, is bound to be great. In this process, the Treasury can play a major role in setting the rates of interest on short Government obligations such as certificates and notes, which will be determined by the needs of the Treasury. Medium maturities of Governments are not expected to change much from present levels.

The shortage of long term high coupon bonds the commercial banks can buy will mean higher price and lower yields for the outstanding securities.

While the Treasury will no doubt continue to supply the market with restricted long term 2½%, the decline in yield of these outstanding securities which commercial banks can buy tends to pull down the general level of interest rates.

Vernon Brown to Admit

Vernon Brown & Co., 71 Broad St., New York City, members of the New York and Philadelphia Stock Exchanges, will admit Thomas J. Brady to general partnership and Gertrude W. Brown to limited partnership on June 22. Mr. Brady, who was formerly a partner in the firm, will acquire the Stock Exchange membership of Arthur J. McKenna.

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MARKET TO YIELD 8½

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Several New Partners

Georgeson Co., 52 Wall Street, has admitted Gardner B. Perry, Mary Vail Andrews and Florence E. Nye to partnership. Other partners are Richard N. Nye and Dorothy Sinn. Mr. Perry has been with the firm in charge of the Boston office. Mr. Andrews has been manager of the upstairs New York branch.

Arthur Zucker Dies

Arthur Zucker, 52, president of the New York Stock Exchange with offices at 39 Broadway, New York City, died at his summer home at the age of sixty-four.

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